



# **FY 2011-12**

## **4<sup>th</sup> Quarter and Preliminary Year-End Financial Report** (Quarter Ending 06/30/2012)

**September 6, 2012**

***Budget & Management Services and Finance***



# General Fund

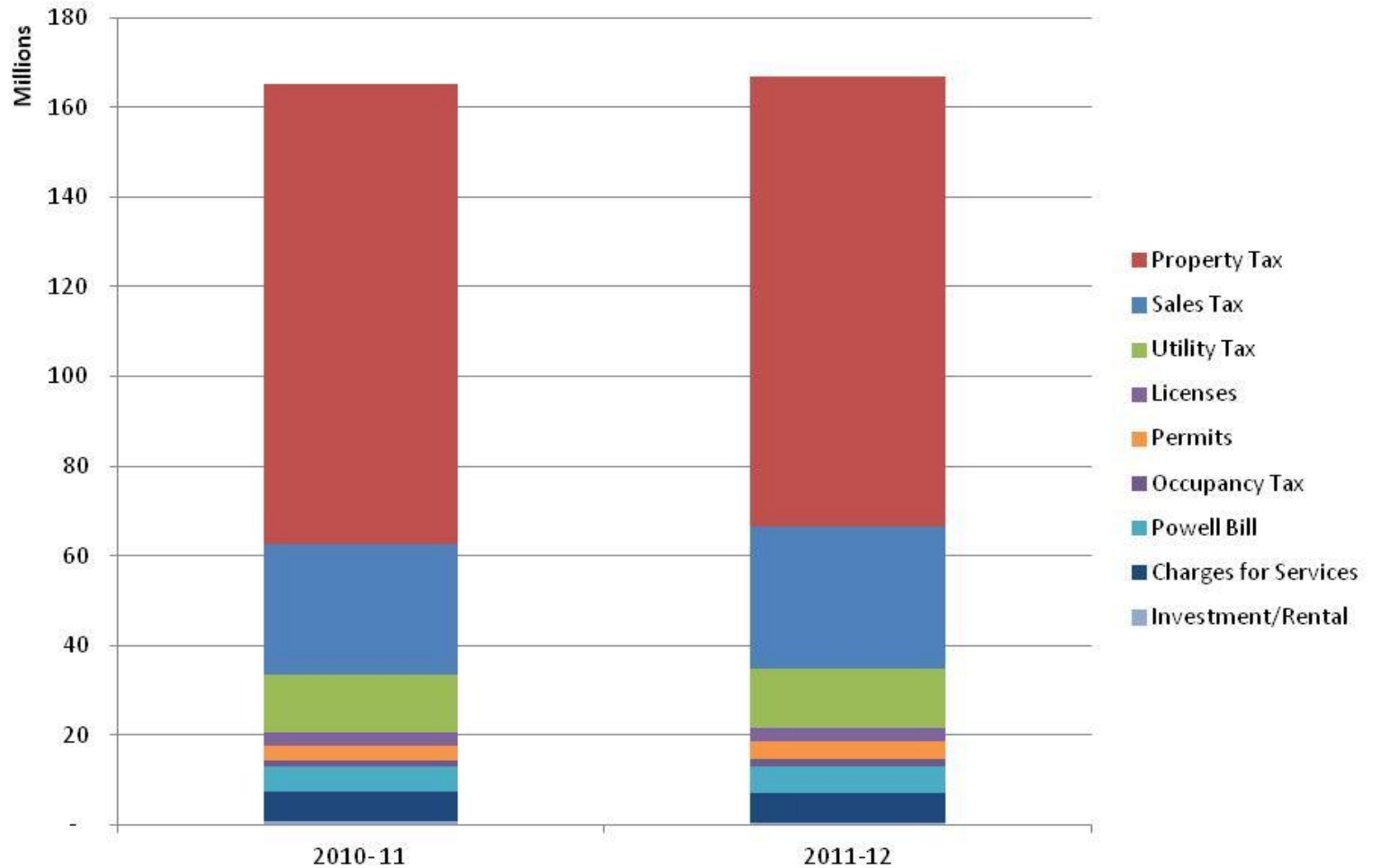


# Summary Results

- Departmental expenditures projected to be under budget by approximately \$3.4M
- All departments projected to be within budget except Police
- Revenue shortfall of \$2.9M
- Other Financing Sources - Appropriation from fund balance budgeted at \$4.4M – actual required projected at \$3.9M (savings \$500K).



# GENERAL FUND MAJOR REVENUE QTR 4, 2011 VS. Q4, 2012





# Property Tax Levy Comparison

Year	Total Billed	Actual Collections	% Collected
2011 (FY2012)	\$129,656,385	\$129,027,719	98.75%
2010 (FY2011)	\$127,641,479	\$126,039,604	98.75%
2009 (FY2010)	\$122,363,594	\$120,847,983	98.76%
2008 (FY2009)	\$120,090,239	\$118,188,013	98.42%
2007 (FY2008)	\$108,850,352	\$107,058,966	98.35%

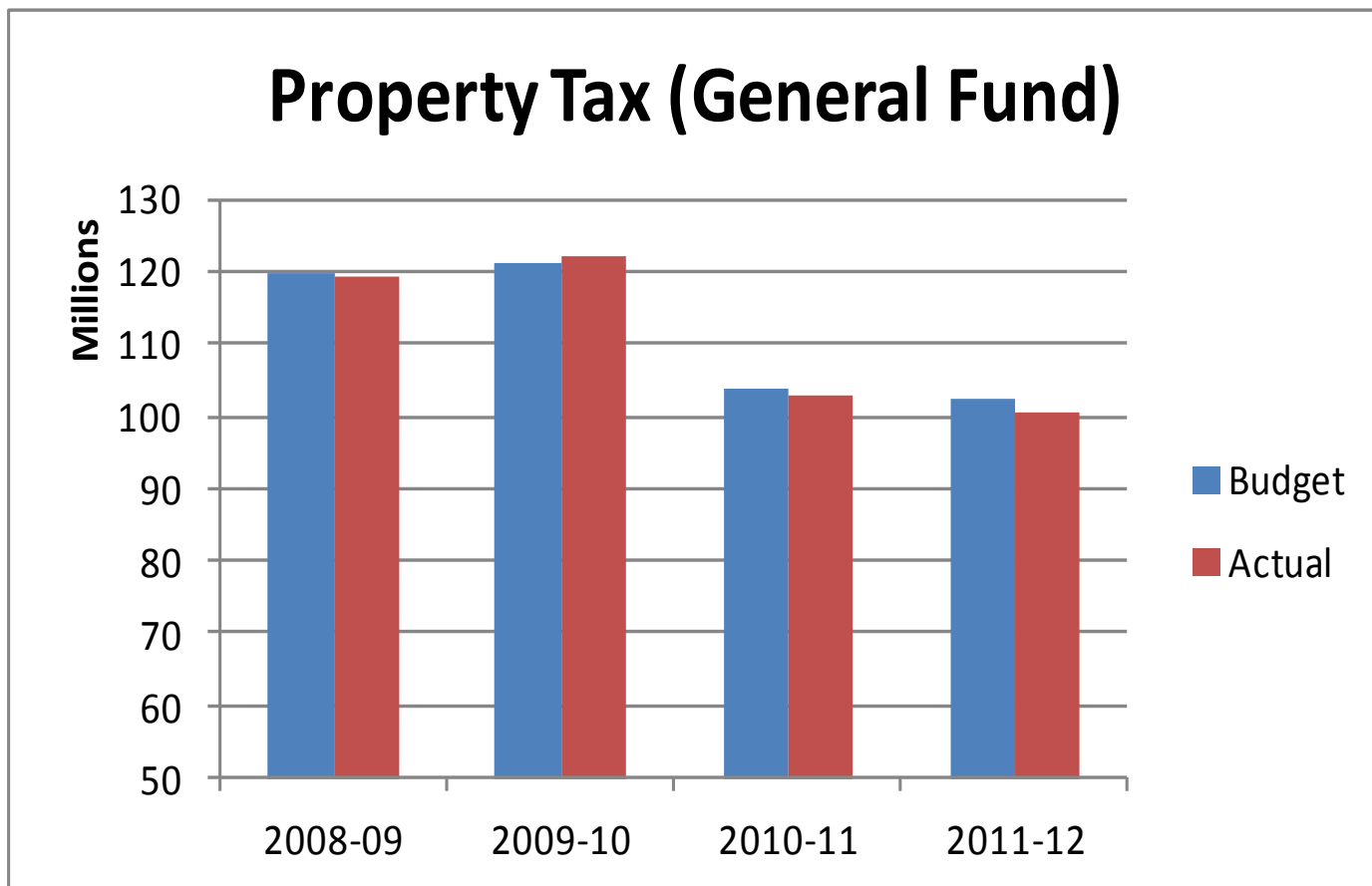


# Sales Tax Collections

- \$33.1M vs. \$31.7M, up \$1.4M (4.4%) versus last year, and down \$1.7M (4.8%) versus budget.
- Budgeted \$36.7M for FY2012-13 compared to \$34.8M for FY2011-12. Expect to meet budget projections for FY2012-13.
- Adjusted budget for FY2011-12 to minimize shortfall (FY10-11 shortfall 7.1M).
- Final Payment for FY2011-12 – September 2012

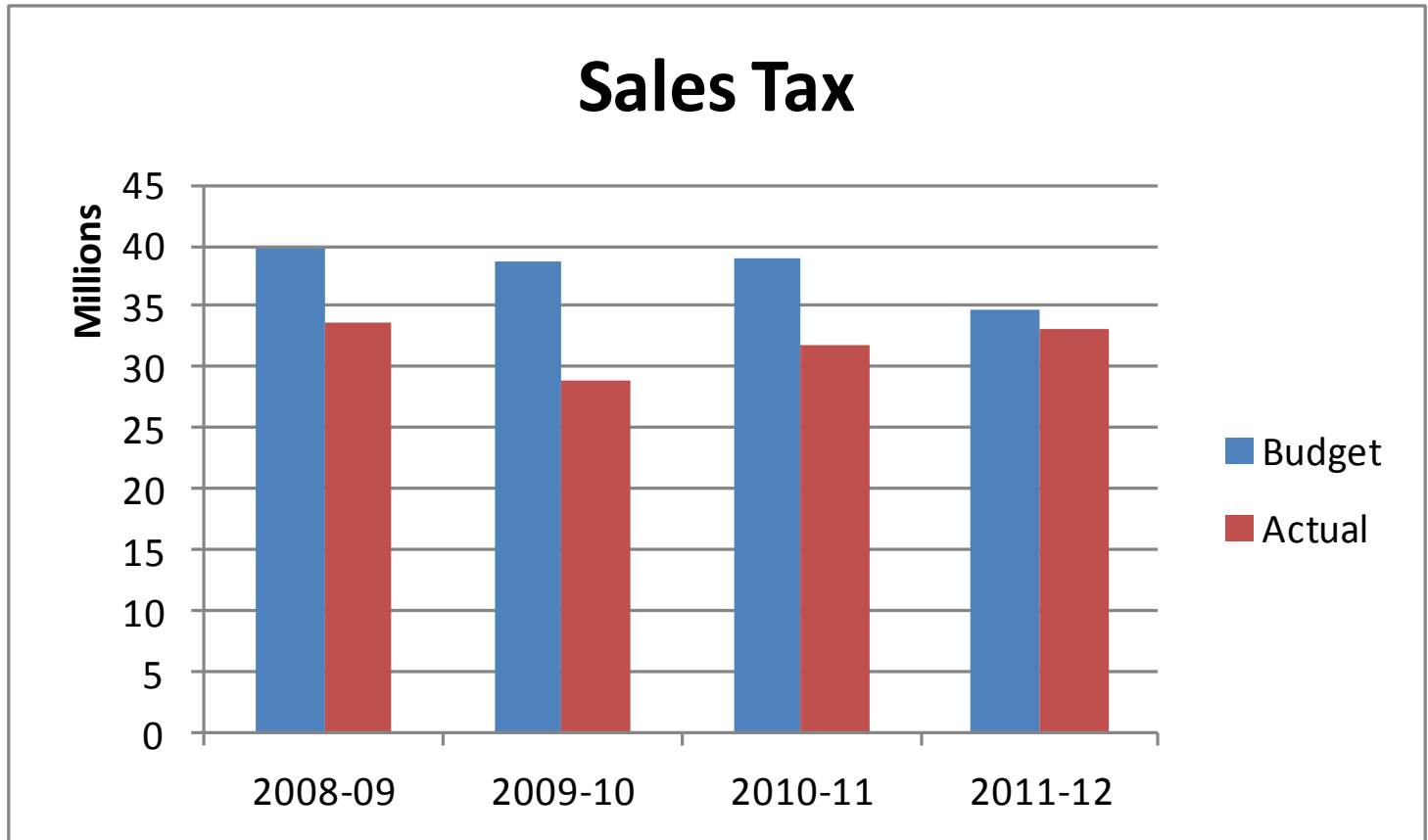


# Revenue Summary – Multi-Year





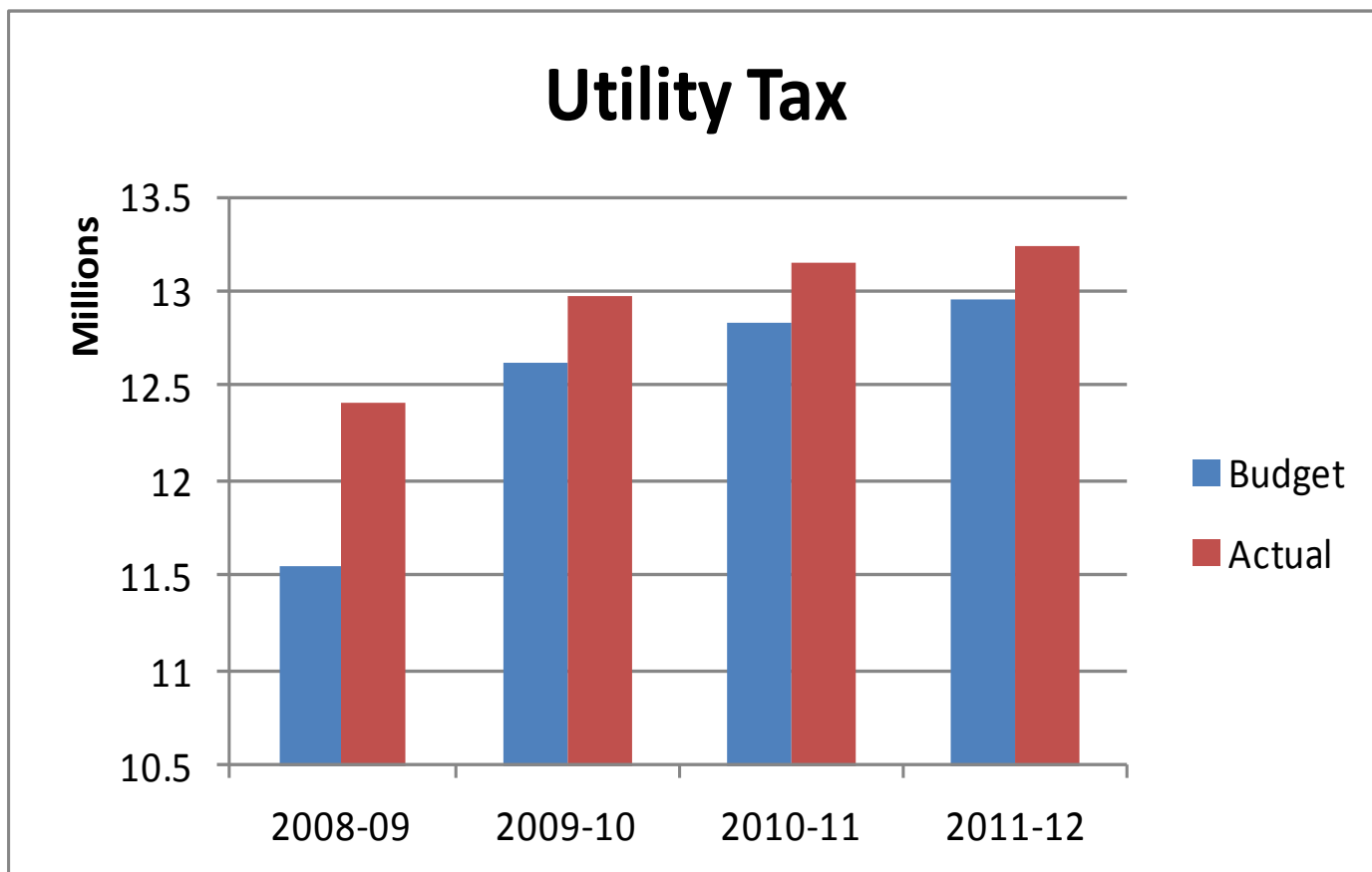
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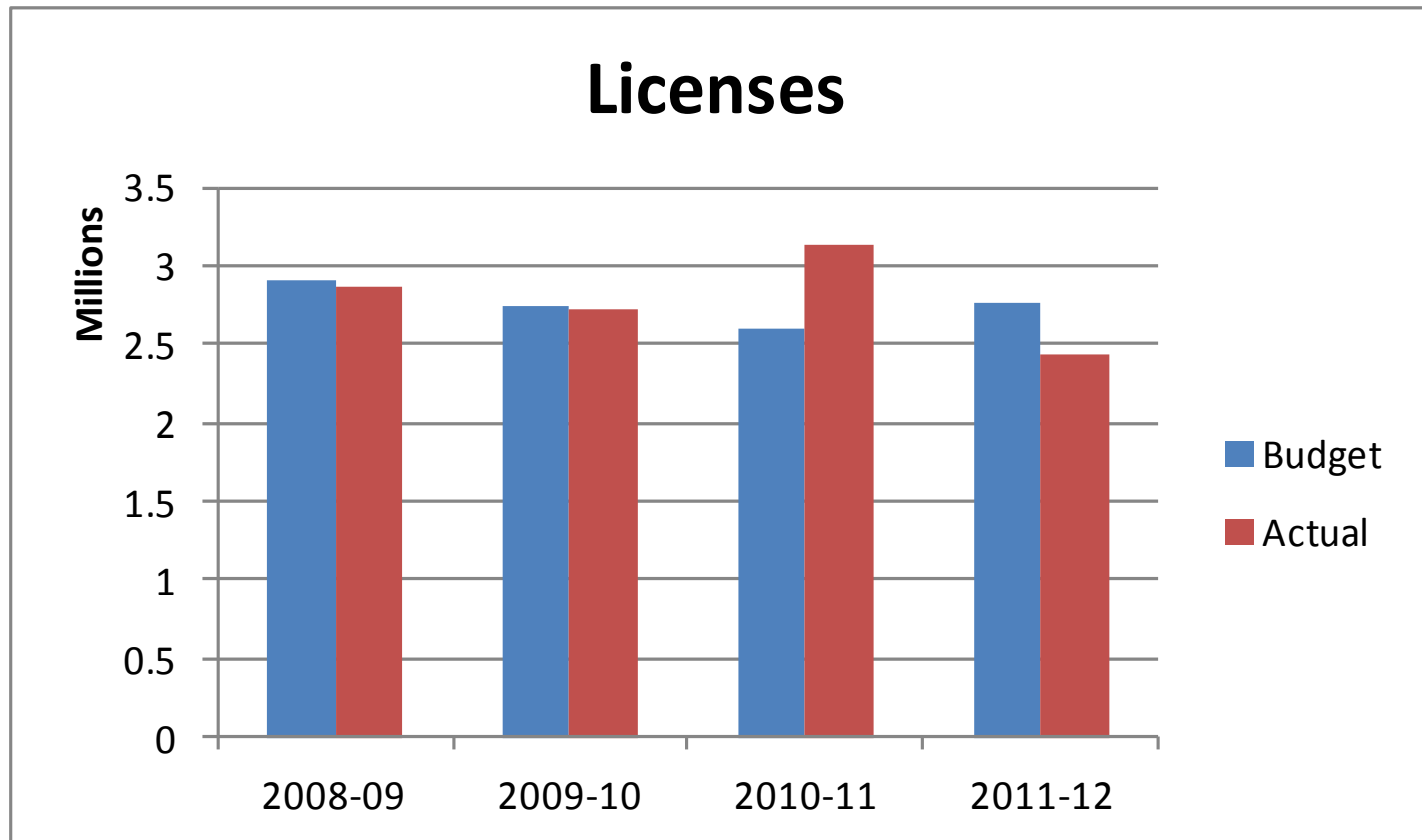




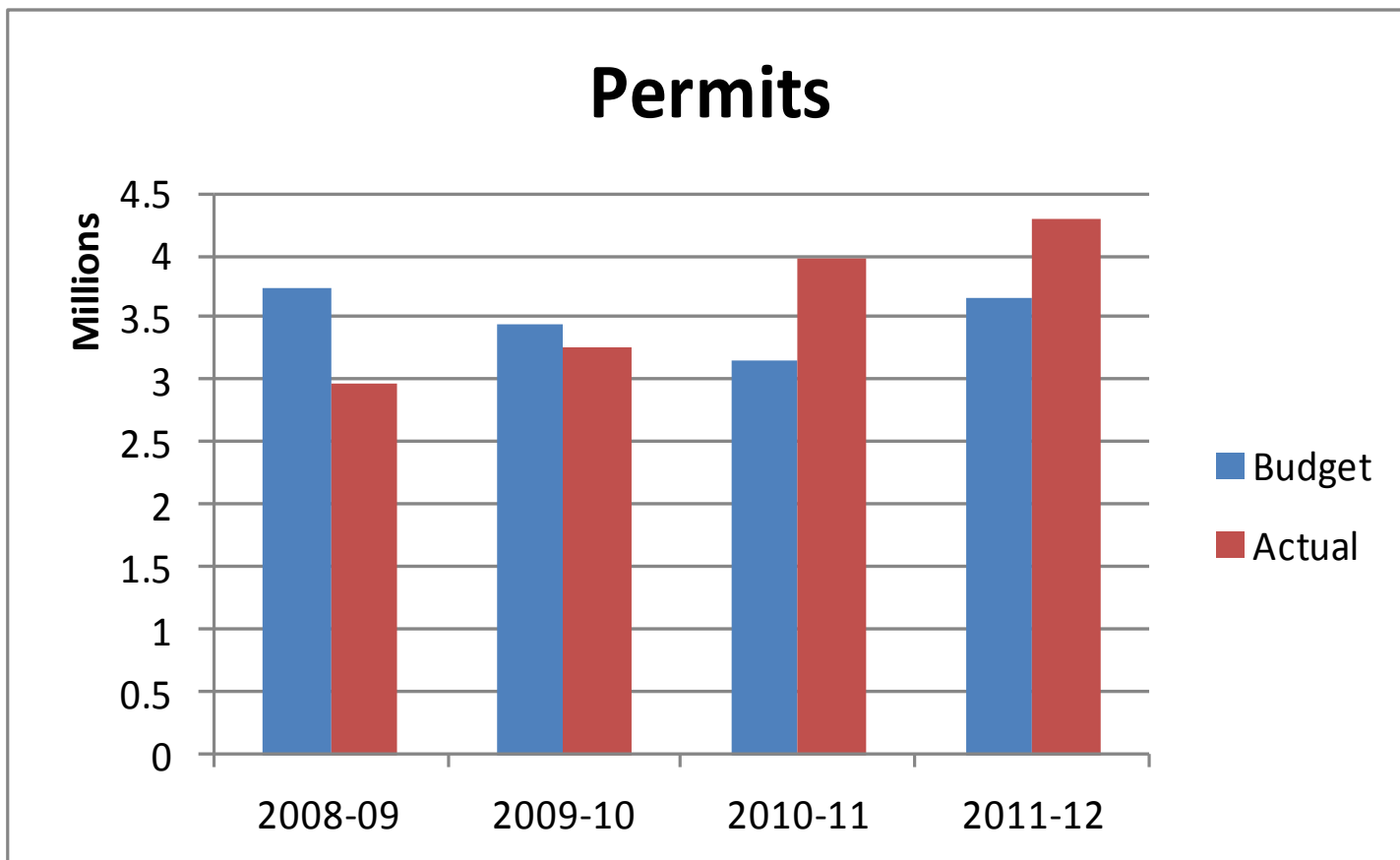
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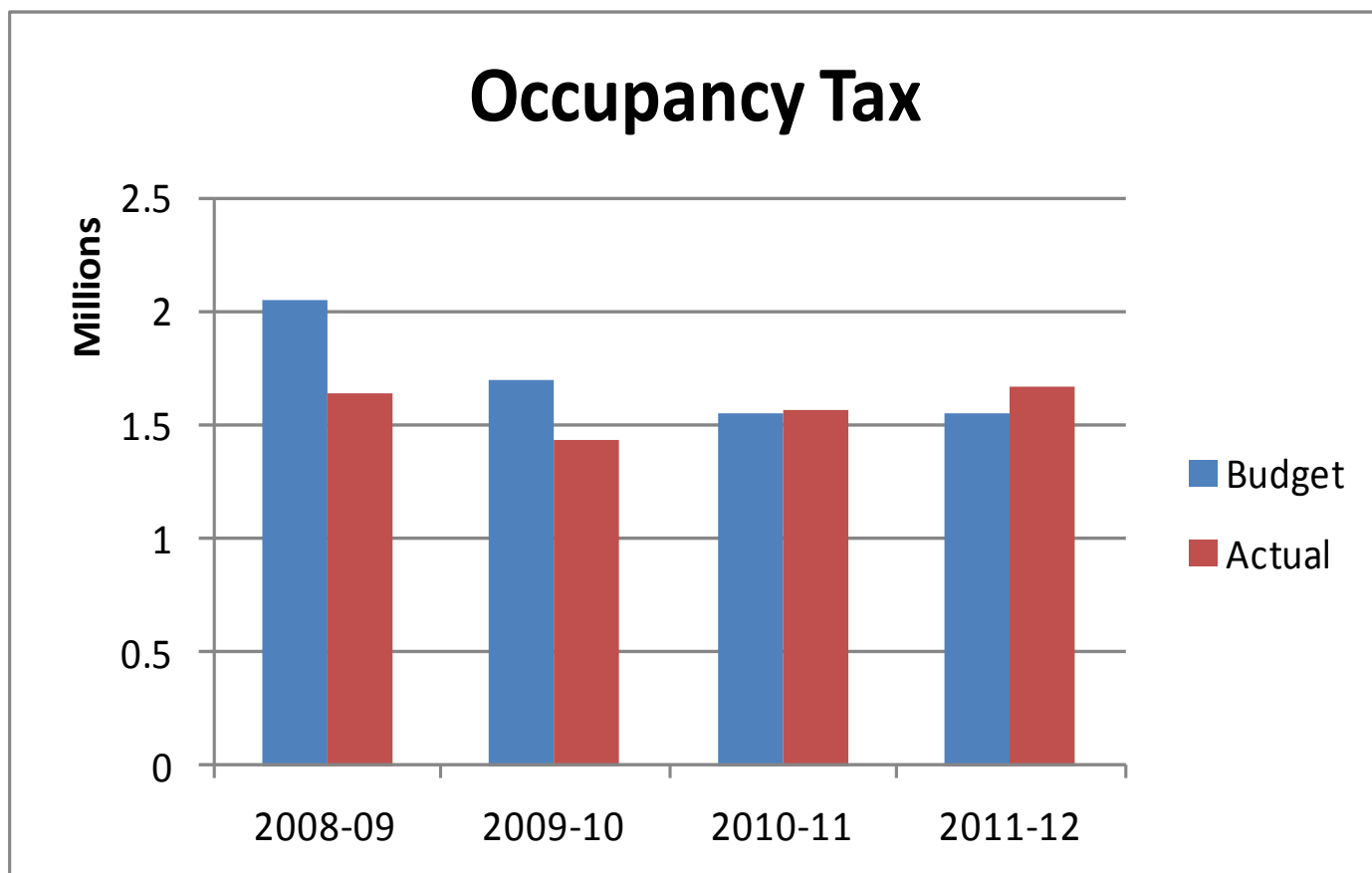
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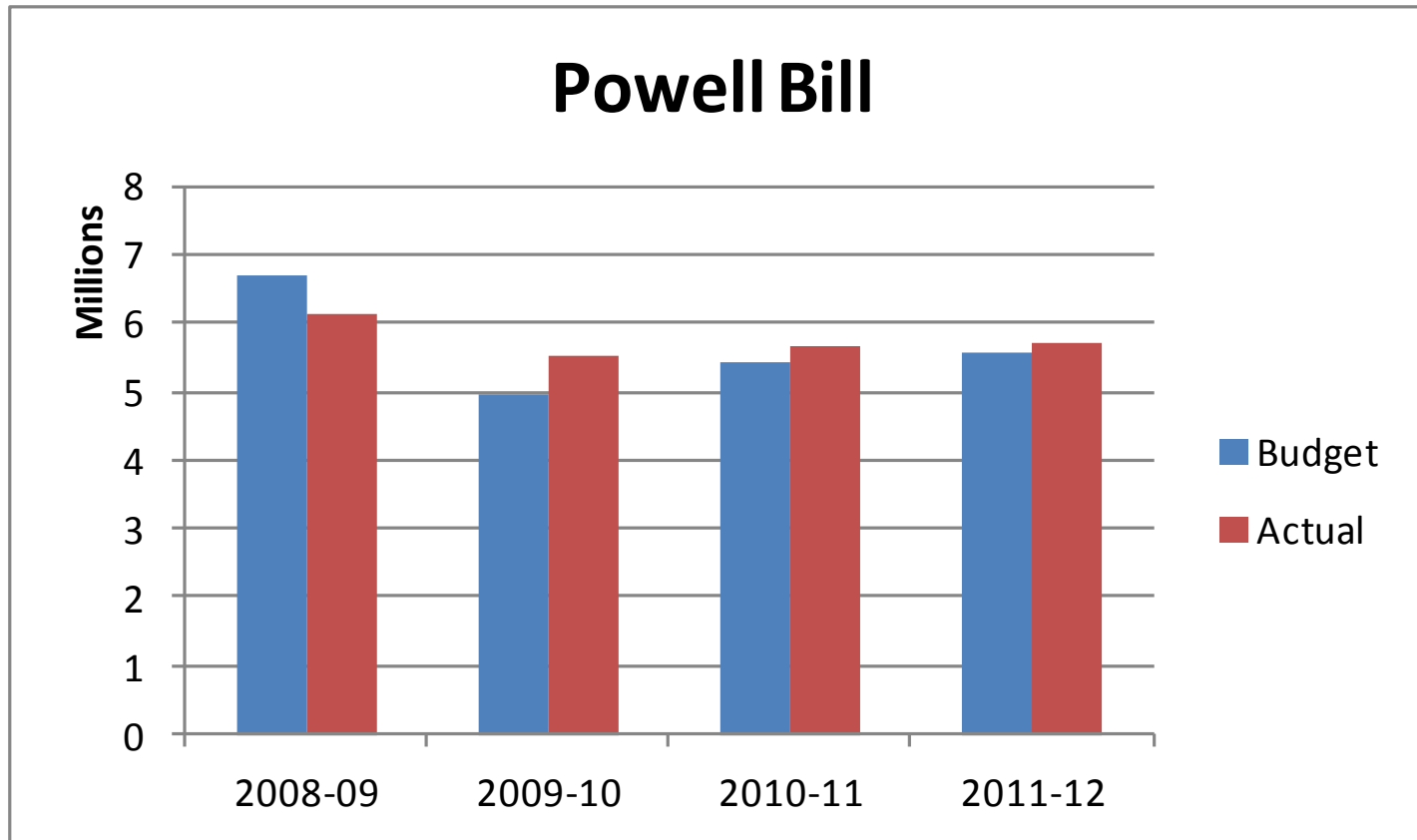
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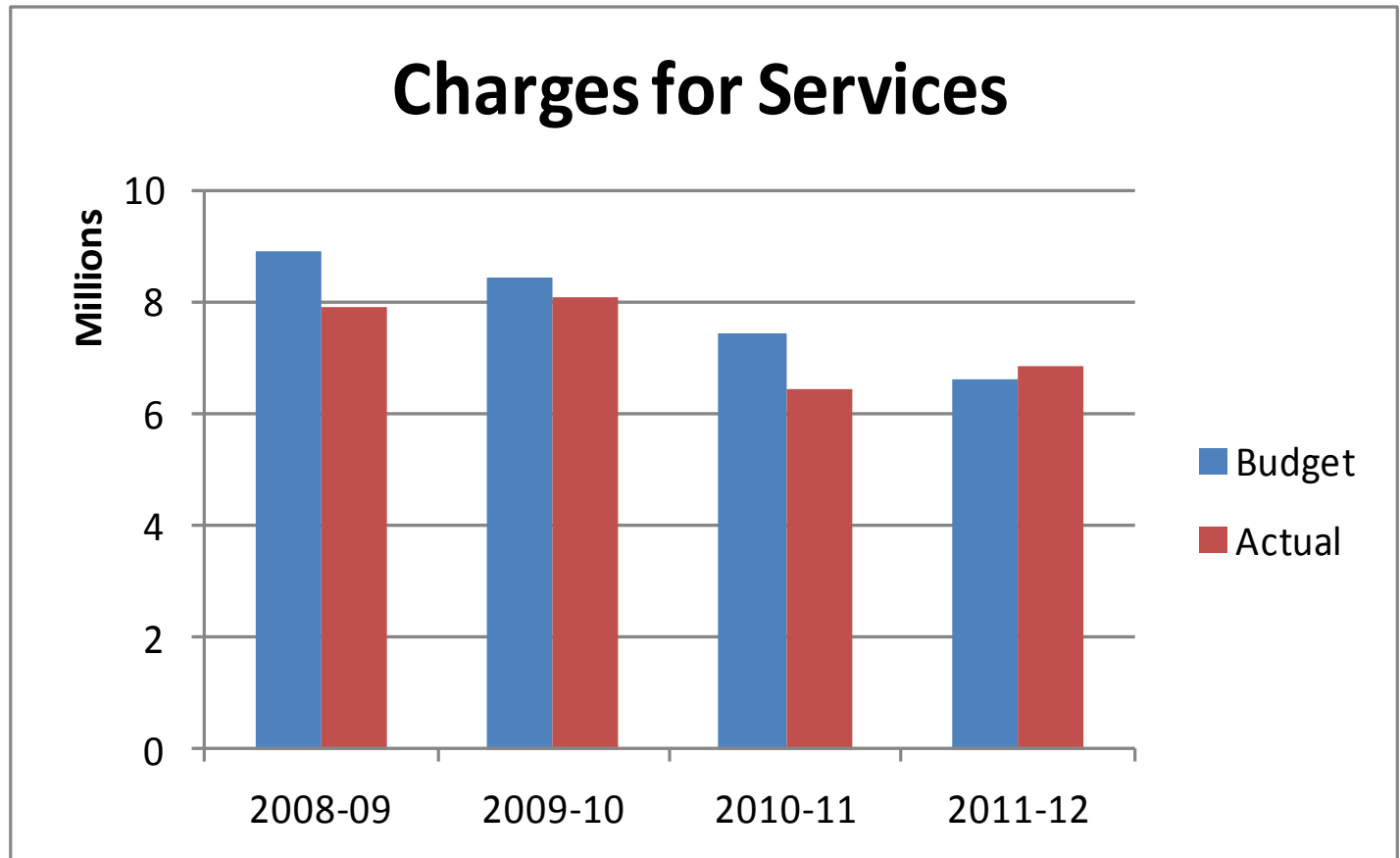
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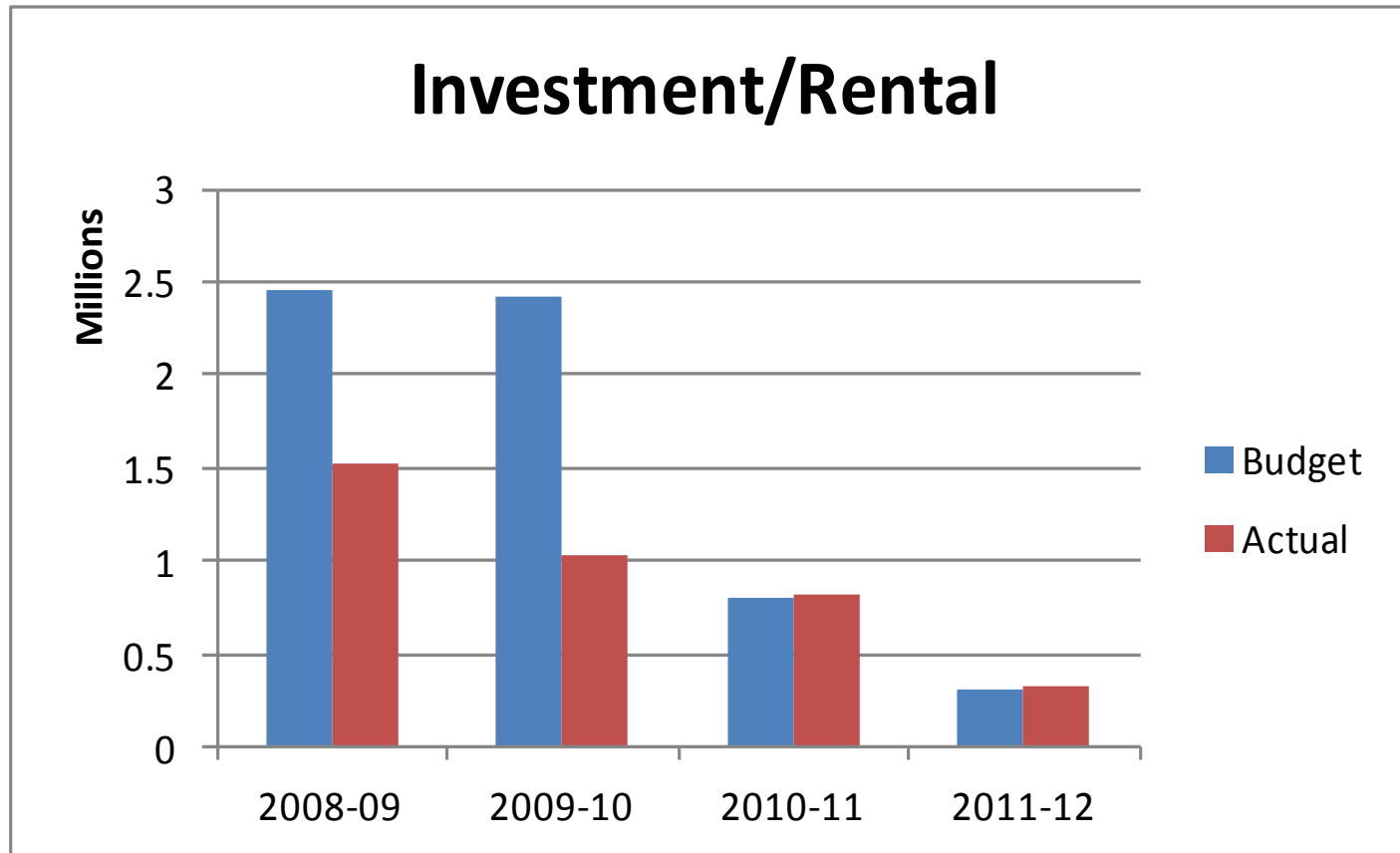
# Revenue Summary – Multi-Year



# Revenue Summary – Multi-Year



# Revenue Summary – Multi-Year





# General Fund - Revenues

REVENUES	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2012	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Property taxes	\$ 102,395,809	\$ 100,342,726	100,342,726	(2,053,083)
Sales taxes	34,820,268	27,344,339	33,144,339	(1,675,929)
Hotel/Motel Occupancy tax	1,550,000	1,660,650	1,660,650	110,650
Other local taxes	307,715	305,398	305,398	(2,317)
Licenses	2,755,931	2,426,059	2,426,059	(329,872)
Permits	3,670,135	4,281,985	4,281,985	611,850
Utility franchise tax	12,961,402	13,245,478	13,245,478	284,076
Powell bill	5,574,000	5,703,259	5,703,259	129,259
Other intergovernmental revenues	3,661,621	3,173,030	3,173,030	(488,591)
Investment and rental income	315,411	325,398	325,398	9,987
Charges for services	6,604,275	6,857,375	6,857,375	253,100
Intragovernmental services	864,000	1,004,392	1,004,392	140,392
Assessments	150,000	31,740	31,740	(118,260)
Sale of property and miscellaneous	753,780	930,093	930,093	176,313
Total revenues	<u>176,384,347</u>	<u>167,631,922</u>	<u>173,431,922</u>	<u>(2,952,425)</u>





# General Fund - Revenues

	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2012	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
<b>REVENUES</b>				
<b>OTHER FINANCING SOURCES</b>				
Transfer from other funds	960,020	960,020	960,020	-
Debt refunding	15,555,000	15,570,000	15,570,000	15,000
Transfer from reserves	3,387,964	3,387,964	3,387,964	-
Appropriation from fund balance	4,376,961	4,376,961	3,869,971	(506,990)
Total other financing sources	<u>24,279,945</u>	<u>24,294,945</u>	<u>23,787,955</u>	<u>(491,990)</u>
Total revenues and other financing sources	<u>\$ 200,664,292</u>	<u>\$ 191,926,867</u>	<u>\$ 197,219,877</u>	<u>(3,444,415)</u>



# General Fund - Expenditures

DEPARTMENT	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2012	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Audit Services	\$ 573,794	\$ 571,288	571,348	\$ 2,446
Budget & Management Services	1,171,742	1,156,661	1,169,273	2,469
City Attorney	1,564,110	1,552,090	1,561,770	2,340
City Clerk	605,511	593,634	593,737	11,774
City Council	883,947	647,747	647,834	236,113
City Manager/One Call/Public Affairs	2,963,536	2,911,299	2,958,692	4,844
City/County Inspections	3,151,484	3,117,176	3,118,505	32,979
City/County Planning	2,933,357	2,908,828	2,913,519	19,838
Economic & Workforce Development	5,042,288	3,355,786	4,519,872	522,416
Emergency Communications	4,637,879	4,549,428	4,559,952	77,927
Emergency Management	187,918	186,669	186,669	1,249
Equal Opportunity-Equity Assurance	551,615	546,182	549,315	2,300



# General Fund - Expenditures

DEPARTMENT	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2012	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Finance	5,735,681	5,272,738	5,317,125	418,556
Fire	22,920,446	22,816,638	22,834,061	86,385
Fleet Maintenance	4,015,275	3,681,622	3,706,976	308,299
General Services	12,366,979	11,115,605	11,747,253	619,726
Housing & Community Development	1,928,829	1,404,921	1,717,061	211,768
Human Relations	-	-	-	-
Human Resources	1,675,244	1,640,682	1,647,303	27,941
Neighborhood Improvement Service	3,414,957	3,295,575	3,405,709	9,248
Parks & Recreation	11,048,078	9,981,227	10,402,373	645,705
Police	49,486,438	50,221,627	50,454,835	(968,397)



# General Fund - Expenditures

DEPARTMENT	FY 2012 ADJUSTED BUDGET	ACTIVITY THROUGH JUNE 2012	PROJECTION THROUGH YEAR END	VARIANCE TO FINAL BUDGET- POSITIVE (NEGATIVE)
Public Works	7,170,115	7,002,322	7,153,413	16,702
Technology Solutions	6,187,413	5,447,982	5,689,800	497,613
Transportation	6,853,828	6,617,923	6,675,191	178,637
NonDepartmental	9,025,847	8,574,901	8,611,694	414,153
Indirect Cost	(7,031,464)	(7,031,464)	(7,031,464)	-
Debt svc & refunding	16,233,256	16,178,402	16,178,402	54,854
Transfer	25,366,189	25,359,659	25,359,659	6,530
Total	200,664,292	193,677,148	197,219,877	3,444,415



# General Fund Balance

	Projected 2012
Fund Balance	39,038,562
Nonspendable (Inventories, notes receivable)	(1,027,043)
Restricted by State Statute	(17,680,550)
Assigned (committed to downtown)	(702,504)
Assigned (committed fund balance appropriation)	(314,338)
Unassigned Fund Balance	19,314,127
Unassigned Fund Balance Percentage	12.16%

\* *Finance Department estimate does not reflect audited financial statements.*



# General Fund Recap

	Actual 2010- 11	Actual 2011- 12	Budget 2012-13	% Change
Revenue				
Property Tax	102,891,508	100,342,726	99,217,048	-1.1%
Sales Tax	32,264,927	33,144,339	36,663,381	10.6%
Utility Tax	13,174,412	13,245,478	13,502,696	1.9%
Licenses	3,190,901	2,426,059	2,876,042	18.5%
Permits	3,930,565	4,281,985	3,409,011	-20.4%
Occupancy Tax	1,564,076	1,660,650	1,609,597	-3.1%
Other Intergovernmental	3,661,621	3,173,030	3,639,541	14.7%
Powell Bill	6,265,359	5,703,259	5,710,000	0.1%
Charges for Services	7,287,611	6,857,375	8,399,956	22.5%
Investment/Rental	784,760	325,398	317,529	-2.4%



# Enterprise Funds



# Water & Sewer Fund

- Overall revenues at 99%.
- Overall expenses at 85%
- Consumption for the Fourth quarter of FY12 is 2% lower than consumption for the same period in FY11.
- Overall, projected total revenues for the year exceed the projected total expenses by \$4.1M.





# Water & Sewer Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 77,878,103	\$ 77,817,145	\$ 77,817,145	\$ (60,958)
Permits	45,500	80,200	80,200	34,700
Total operating revenues	<u>77,923,603</u>	<u>77,897,345</u>	<u>77,897,345</u>	<u>(26,258)</u>
Non-operating revenues				
Miscellaneous	2,050,028	3,432,641	3,432,641	1,382,613
Investment Income	225,469	271,890	271,890	46,421
Operating transfers from other funds	319,595	319,595	319,595	-
Transfer from reserves	1,815,110	-	-	(1,815,110)
Appropriation from fund balance	1,498,727	-	-	(1,498,727)
Total Non-operating revenues	<u>5,908,929</u>	<u>4,024,126</u>	<u>4,024,126</u>	<u>(1,884,803)</u>
Total revenues	<u>\$ 83,832,532</u>	<u>\$ 81,921,471</u>	<u>\$ 81,921,471</u>	<u>\$ (1,911,061)</u>



# Water & Sewer Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 23,224,407	\$ 22,292,129	\$ 22,292,129	\$ 932,278
Operating expenditures	24,299,058	20,742,546	20,742,546	3,556,512
Non-departmental administration	5,797,679	5,797,679	5,797,679	-
Capital outlay	280,330	90,921	90,921	189,409
Debt service principal and interest	19,914,003	18,579,910	18,579,910	1,334,093
Operating transfers to other funds	10,317,056	10,317,056	10,317,056	-
Transfer to fund balance	-	-	4,101,230	(4,101,230)
Total expenditures	\$ 83,832,532	\$ 77,820,241	\$ 81,921,471	\$ 1,911,061



# W&S Capital Facility Fee Fund

- Capital Facility Fees are derived from charges to new development or facility expansion.
- Funding provided to the Water and Sewer Construction Fund to support capital improvements.
- Fourth quarter results projected at \$3M, exceeding the \$2.3M originally budgeted.
- Collected surplus is credited toward fund balance.



# Transit Operations Fund

- Transit Operations Fund overall operated at a deficit.
- Operating revenues were strong, but grants and expenses hurt the fund.
- Ridership increased more than 11.8% from FY 11 to FY 12. Bull City Connector accounted for 2.8% of increase (free service).



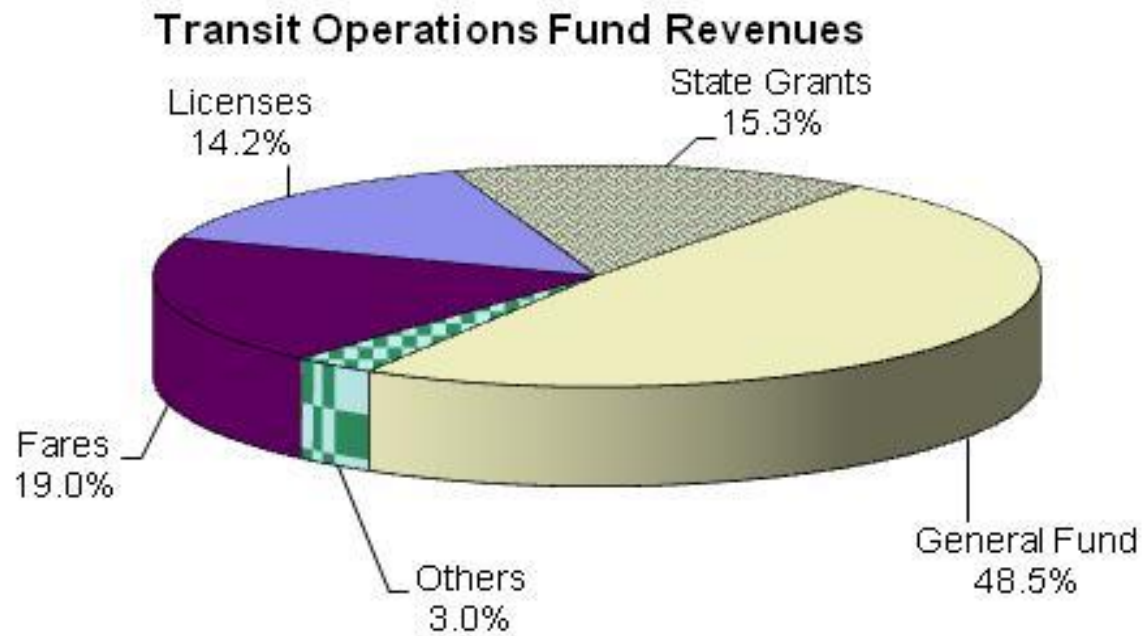
# Transit Operations Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ <u>3,280,717</u>	\$ <u>3,381,203</u>	\$ <u>3,381,731</u>	\$ <u>101,014</u>
Non-operating revenues				
Non-operating revenues	4,679,740	4,510,300	4,510,300	(169,440)
Operating transfers from other funds	7,799,905	7,799,905	7,799,905	-
Transfer from reserves	250,134	-	250,134	-
Appropriation from fund balance	<u>-</u>	<u>-</u>	<u>439,140</u>	<u>439,140</u>
Total Non-operating revenues	<u>12,729,779</u>	<u>12,310,205</u>	<u>12,999,479</u>	<u>269,700</u>
Total revenues	\$ <u>16,010,496</u>	\$ <u>15,691,408</u>	\$ <u>16,381,210</u>	\$ <u>370,714</u>

# Transit Operations Fund – Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Operating expenditures	\$ 14,260,088	\$ 14,747,755	\$ 14,747,755	\$ (487,667)
Non-departmental administration	216,300	216,300	216,300	-
Debt service principal and interest	223,173	223,173	223,173	-
Operating transfers to other funds	<u>1,310,935</u>	<u>1,193,982</u>	<u>1,193,982</u>	<u>116,953</u>
Total expenditures	<u>\$ 16,010,496</u>	<u>\$ 16,381,210</u>	<u>\$ 16,381,210</u>	<u>\$ (370,714)</u>

# Transit Fund- Source of Funding





# Solid Waste Fund

- Revenues less than original budget expectations by \$700K.
- The department began collecting revenue for recyclables in FY12.
- The Solid Waste Disposal Fund generated 37% of fund needs through charges and other non-tax revenues.





# Solid Waste Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 8,587,975	\$ 7,850,903	\$ 7,850,903	\$ (737,072)
Non-operating revenues				
Investment Income	29,597	25,321	25,321	(4,276)
Miscellaneous	150,725	165,276	165,276	14,551
Operating transfers from other funds	12,506,477	12,506,477	12,506,477	-
Transfer from reserves	321,056	-	321,056	-
Appropriation from fund balance	-	-	522,361	522,361
Total Non-operating revenues	13,007,855	12,697,074	13,540,491	532,636
Total revenues	\$ 21,595,830	\$ 20,547,977	\$ 21,391,394	\$ (204,436)



# Solid Waste Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 6,412,549	\$ 6,060,020	\$ 6,060,020	\$ 352,529
Operating expenditures	12,385,744	12,591,531	12,591,531	(205,787)
Non-departmental administration	153,670	153,670	153,670	-
Debt service principal and interest	<u>2,643,867</u>	<u>2,586,173</u>	<u>2,586,173</u>	<u>57,694</u>
Total expenditures	\$ <u>21,595,830</u>	\$ <u>21,391,394</u>	\$ <u>21,391,394</u>	\$ <u>204,436</u>



# Stormwater Fund

- Provides for the management and maintenance of operational expenses of stormwater activities which include street cleaning.
- The fund is a self-sufficient enterprise fund and receives no tax support.
- Year end results show total revenues realized at 96% of budget and total expenditures of 91% of budgeted expectations.



# Stormwater Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 10,941,873	\$ 11,338,423	\$ 11,338,423	\$ 396,550
Non-operating revenues				
Miscellaneous	-	12,568	12,568	12,568
Investment Income	11,551	12,868	12,868	1,317
Operating transfers from other funds	232,047	123,000	123,000	(109,047)
Transfer from reserves	245,288	-	-	(245,288)
Appropriation from fund balance	511,222	-	-	(511,222)
Total Non-operating revenues	1,000,108	148,436	148,436	(851,672)
Total revenues	\$ 11,941,981	\$ 11,486,859	\$ 11,486,859	\$ (455,122)



# Stormwater - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 6,334,200	\$ 5,879,428	\$ 5,879,428	\$ 454,772
Operating expenditures	2,359,337	1,834,213	1,834,213	525,124
Non-departmental administration	674,847	674,847	674,847	-
Capital outlay	132,351	39,798	39,798	92,552
Operating transfers to other funds	2,441,246	2,441,246	2,441,246	-
Transfers to fund balance	-	-	617,326	(617,326)
Total expenditures	\$ 11,941,981	\$ 10,869,533	\$ 11,486,859	\$ 455,122



# Parking Fund

- The Parking fund operating revenues fully cover fund expenses.
- Parking Fund operated within budget expectations.



# Parking Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ <u>2,170,981</u>	\$ <u>2,175,615</u>	\$ <u>2,175,615</u>	\$ <u>4,634</u>
Non-operating revenues				
Investment Income	4,638	1,803	1,803	(2,835)
Transfer from reserves	<u>29,325</u>	<u>-</u>	<u>-</u>	<u>(29,325)</u>
Total Non-operating revenues	<u>33,963</u>	<u>1,803</u>	<u>1,803</u>	<u>(32,160)</u>
Total revenues	\$ <u>2,204,944</u>	\$ <u>2,177,418</u>	\$ <u>2,177,418</u>	\$ <u>(27,526)</u>



# Parking Fund - Expenses

	Adjusted <u>Budget</u>	<u>Actual</u>	Year-End <u>Projection</u>	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 62,608	\$ 65,151	\$ 65,151	\$ (2,543)
Operating expenditures	1,809,905	1,501,148	1,501,148	308,757
Non-departmental administration	16,750	16,750	16,750	-
Capital outlay	68,728	-	-	68,728
Transfer to fund balance	<u>246,953</u>	<u>-</u>	<u>594,369</u>	<u>246,932</u>
Total expenditures	\$ <u>2,204,944</u>	\$ <u>1,583,049</u>	\$ <u>2,177,418</u>	\$ <u>306,214</u>





# Ballpark Fund

- The Ballpark Fund relies on the General Fund for 63% of its adjusted budget.
- Year-end results show the fund finishing the year with a slight surplus.



# Ballpark Fund - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 482,947	\$ 471,060	\$ 471,060	\$ (11,887)
Non-operating revenues				
Non-operating revenues	205,000	247,760	247,760	42,760
Investment Income	4,206	1,954	1,954	(2,252)
Operating transfers from other funds	1,391,020	1,391,020	1,391,020	-
Transfer from reserves	114,771	-	-	(114,771)
Total Non-operating revenues	1,714,997	1,640,734	1,640,734	(74,263)
Total revenues	\$ 2,197,944	\$ 2,111,794	\$ 2,111,794	\$ (86,150)



# Ballpark Fund - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Personal Services	\$ 111,363	\$ 118,639	\$ 118,639	\$ (7,276)
Operating expenditures	778,062	656,733	656,733	121,329
Non-departmental administration	97,218	97,218	97,218	-
Debt service principal and interest	902,443	879,818	879,818	22,625
Operating transfers to other funds	308,858	308,858	308,858	-
Transfers to fund balance	<u>-</u>	<u>-</u>	<u>50,528</u>	<u>(50,528)</u>
Total expenditures	<u>\$ 2,197,944</u>	<u>\$ 2,061,266</u>	<u>\$ 2,111,794</u>	<u>\$ 86,150</u>



# Durham Performing Arts Center (DPAC) Fund

- Operating profit-share revenues exceeded projections by 61%.
- Occupancy taxes exceeded projections by 4%
- Ticket facility fees exceeded projections by 23%
- Another very successful year for DPAC!



# Durham Performing Arts Center - Revenues

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Revenues				
Operating revenues	\$ 700,000	\$ 1,809,893	\$ 1,809,893	\$ 1,109,893
Non-operating revenues				
Taxes	1,250,000	1,302,866	1,302,866	52,866
Naming rights	375,000	381,000	381,000	6,000
Ticket facility fee	450,009	581,204	581,204	131,195
Investment Income	4,113	2,646	2,646	(1,467)
Operating transfers from other funds	100,000	100,000	100,000	-
Transfer from reserves	5,150	-	-	(5,150)
Appropriation from fund balance	156,974	-	-	(156,974)
Total Non-operating revenues	2,341,246	2,367,716	2,367,716	26,470
Total revenues	\$ 3,041,246	\$ 4,177,609	\$ 4,177,609	\$ 1,136,363



# DPAC - Expenses

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
Expenditures				
Operating expenditures	\$ 118,676	\$ 98,687	\$ 98,687	\$ 19,989
Debt service principal and interest	2,489,610	2,489,610	2,489,610	-
Operating transfers to other funds	432,960	432,960	432,960	-
Appropriations to fund balance	<u>-</u>	<u>-</u>	<u>1,156,352</u>	<u>1,156,352</u>
 Total expenditures	 \$ <u>3,041,246</u>	 \$ <u>3,021,257</u>	 \$ <u>4,177,609</u>	 \$ <u>1,176,341</u>



# Debt Reserve Fund

	Adjusted Budget	Actual	Year-End Projection	Year-End Positive/ (Negative)
<b>Revenues</b>				
Property Taxes	\$ 29,019,418	\$ 28,684,993	\$ 28,684,993	\$ (334,425)
<b>Non-operating revenues</b>				
Intergovernmental (Subsidy)	692,520	692,520	692,520	-
Investment Income	49,625	16,351	16,351	(33,274)
Appropriations from fund balance	3,685,907	-	578,619	(3,107,288)
Transfers from Other Funds	3,730,833	3,730,833	3,730,833	-
Total Non-operating revenues	8,158,885	4,439,704	5,018,323	(3,140,562)
Total revenues	\$ 37,178,303	\$ 33,124,697	\$ 33,703,316	\$ (3,474,987)
<b>Expenditures</b>				
Special contractual services	-	286,850	286,850	(286,850)
Debt service principal	22,680,413	22,680,413	22,680,413	-
Debt service interest	12,010,230	10,736,053	10,736,053	1,274,177
Transfer to Fund Balance	2,487,660	-	-	2,487,660
Total expenditures	\$ 37,178,303	\$ 33,703,316	\$ 33,703,316	\$ 3,474,987



# Related Projects

- 5 Year Financial Plan – (General Fund and Transit)
- Strategic Plan
- Process Improvement Projects